

# E-Rate Training

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# AGENDA

- Overview of E-Rate Program
- EPC Update
- FCC Forms In Depth
- FY2018
  - Admin Window
  - Changes to Eligible Services
  - Form 470 Requirements
  - Fiber Rules – Special Construction – Excess Strands
- State Reimbursements
- FY2016 & 2017
  - PIA
  - Forms 486-498-500
  - C2 Equipment
  - BEAR Deadline

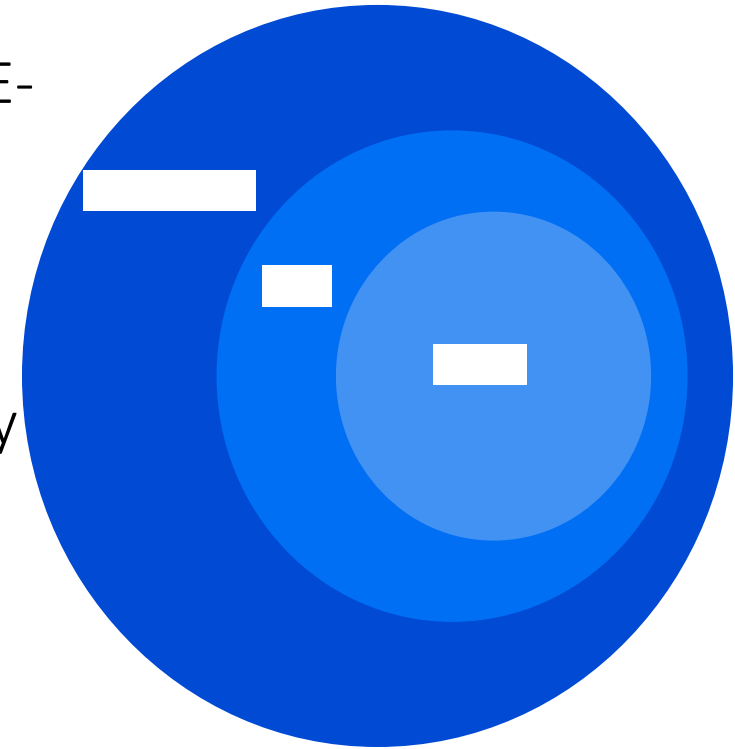
# WHAT IS THE SCHOOLS AND LIBRARIES (E-RATE) PROGRAM?

Helps ensure that schools and libraries can obtain high-speed Internet access and telecommunications at an affordable rate

Keeps students and library patrons connected to broadband by providing a discount on eligible services

# WHO MAKES THE RULES?

- Congress wrote the Telecommunications Act of 1996.
  - Part of this act directed the FCC to establish and oversee the E-rate program.
- The FCC sets rules and policies for the program through “Orders”.
  - These orders determine how USAC administers the day-to-day operations of the E-rate program.
- USAC develops procedures, such as how to process applications.
  - USAC’s procedures are reviewed and approved annually by the FCC.



# E-RATE FUNDING YEAR (FY) TIMELINE

- Each E-Rate Funding Year (FY) runs from July 1 to June 30.
- USAC refers to the funding year as the year in which most services will begin.
- Applicants use Fiscal Year (FY), which runs from July 1 – June 30.
- Fiscal Year 2017 was July 1, 2016 through June 30, 2017
- Funding Year 2017 is July 1, 2017 through June 30, 2018

# WHO CAN GET DISCOUNTS?

- Elementary and Secondary Schools and School Districts
  - Public, private, charter, parochial, and Tribal, are types of schools and school districts.
  - Non-traditional facilities (Pre-K, Head Start, juvenile justice, and adult education) are eligible if they fit the state's definition of elementary/secondary education.



# WHO CAN GET DISCOUNTS?

- Libraries and library systems
  - Public, private, academic, research, Tribal are types of libraries and library systems.
  - Bookmobiles and kiosks are eligible if they are considered library branches in their state.
- Consortia
  - Eligible entities can form consortia by banding together to aggregate demand and negotiate lower prices.

# CONSORTIUM BENEFITS

- Beneficial for small schools and libraries or those inexperienced with the E-rate process.
  - Only one member of the consortium files forms (the consortium leader)
  - Apply together on one application
  - Share expertise by combining knowledge resources
- Consortium applications are more streamlined than previous years.
  - Still room for improvement here
- Consortia can also include ineligible entities under limited circumstances and subject to cost allocation requirements.



# WHAT PRODUCTS AND SERVICES ARE ELIGIBLE?

## **Category One (C1)**

Data Transmission Services and  
Internet Access

## **Category Two (C2)**

Internal Connections, Managed  
Internal Broadband Services, and  
Basic Maintenance of Internal  
Connections

# PRODUCTS & SERVICES ELIGIBLE FOR E-RATE

- Every year, the FCC publishes the [Eligible Services List](#), which governs the eligibility of products and services in the upcoming funding year.
  - FCC issues a Public Notice attaching a draft eligible services list and seeking comments on it
- FCC reviews comments, then issues an order with the final list
- Some examples of products and services include:

CATEGORY ONE EXAMPLES	CATEGORY TWO EXAMPLES
Leased lit fiber	Access points
Ethernet	Switches
Multi-Protocol Label Switching (MPLS)	Routers
OC-1, OC-3, OC-12, OC-n	Supporting software used to distribute high-speed broadband
Satellite Service	Installation, activation, and initial configuration

# E-RATE PROGRAM BUDGET

- Funding is capped at \$3.99 billion.
  - The cap is adjusted annually for inflation.
  - \$1 billion funding target for “Category Two” funding.
- Once per year, the FCC may direct USAC to roll over unused funds from prior funding years into the next funding year.

# YOUR E-RATE DISCOUNT

- Discounts range from 20% to 90% for Category 1 services and from 20 to 85% for Category 2 services.
- Discounts are calculated using three pieces of information:
  - Poverty level
  - Urban or rural status
  - Service type

# DISCOUNTS: YOUR POVERTY LEVEL

- The E-rate program uses the National School Lunch Program (NSLP) to determine poverty level.
  - Alternative Discount Mechanisms can also be used
- Discounts depend on the percentage of students who are eligible for NSLP.

# DISCOUNTS: YOUR POVERTY LEVEL

- Discounts are calculated for the school district or the library system (not for individual schools or library branch).
  - Library system members must use the NSLP calculation from the school district of the main branch's location.
  - Schools that are members of school districts use their district's average.
  - An independent school or library: An independent school calculates its NSLP figures based on its own student population, and an individual library uses the NSLP figure for the school district in which it is located.

# E-RATE DISCOUNT CONVERSION

Percent of Students Eligible for NSLP	Category One Discount Rate		Category Two Discount Rate	
	Urban	Rural	Urban	Rural
Less than 1%	20%	25%	20%	25%
1% - 19%	40%	50%	40%	50%
20% - 34%	50%	60%	50%	60%
35% - 49%	60%	70%	60%	70%
50% - 74%	80%	80%	80%	80%
75% - 100%	90%	90%	85%	85%



# DISCOUNTS: URBAN OR RURAL STATUS

- Urban or rural status is based on 2010 census data
- Check your status on USAC's website
- School districts are considered rural if more than 50% of its schools are rural
- Library systems are considered rural if more than 50% of its branches are rural

# DISCOUNTS: CATEGORIES OF SERVICE AND VOICE PHASE DOWN

Your discount also depends on what type of service you are purchasing:

**CATEGORY ONE**

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**UP TO 90%**

**CATEGORY TWO**

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**UP TO 85%**

**VOICE SERVICES**

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**Up to 10% for  
FY2018**

# COMMUNITY ELIGIBILITY PROGRAM (CEP)

- Nationwide program to reduce NSLP paperwork burden
- Schools must have at least 40% of their students directly certified to qualify for CEP
- All students eat free, but this does not mean they are counted as eligible for E-rate purposes. Must still determine eligibility percentage
- Schools apply national multiplier (1.6) to directly certified population to determine NSLP eligible population
- Schools are capped at 100% NSLP eligible for purposes of determining the E-rate discount

# COMMUNITY ELIGIBILITY PROGRAM (CEP)

- Example:
  - Single Charter School
    - School population = 1,000 students
    - 50% are direct certified = 500 students
    - $500 \times 1.6 = 800$  (800 students eligible for NSLP)
    - $800/1000 = 80\%$  is the E-Rate discount
- \*\*\*Direct Certification numbers are derived by the school or district rather than the state. Difficult to validate

# LOOK UP YOUR DISCOUNT

Less than 1%	20%	25%	20%	25%
1% to 19%	40%	50%	40%	50%
20% to 34%	50%	60%	50%	60%
35% to 49%	60%	70%	60%	70%
50% to 74%	80%	80%	80%	80%
75% to 100%	90%	90%	85%	85%

# VOICE SERVICE DISCOUNT FOR FY2018 (last year of voice phase down)

- For FY 2018 – only applicants at a 90% discount level will be eligible for support at 10%

INCOME <i>% of students eligible for NSLP</i>	VOICE Discount Levels	
	URBAN DISCOUNT	RURAL DISCOUNT
Less than 1%	0%	0%
1% to 19%	0%	0%
20% to 34%	0%	0%
35% to 49%	0%	0%
50% to 74%	0%	0%
75% to 100%	10%	10%

# CONSORTIUM DISCOUNTS

- A consortium's discount is the simple average of its members' discount levels.
  - Members still use district-wide discount rates for their individual calculation.
  - Only consortia can get a discount that doesn't appear on the discount matrix.
  - The discount calculation for each consortium FCC Form 471 is based on the discounts of the members who share the services on that form.
    - In other words, consortia do not always have the same discount across all of their program forms.



# QUESTIONS?



# FIVE-YEAR CATEGORY TWO (C2) BUDGETS

- USAC calculates a C2 budget for each individual school or library branch.
  - The budget for one entity cannot be shared with other entities in a consortium, district, or system.
- The school or library can receive discounts on the cost of C2 services up to its C2 budget amount. It can:
  - Spend the budget over a five-year period,
  - Use the entire budget in one funding year,
  - Allocate over five different funding years,
  - Spend the budget on one, two, or all three of the C2 service types.

# FIVE-YEAR CATEGORY TWO (C2) BUDGETS

- The C2 budget is re-calculated every year.
  - More students in a school or expansion of the library results in a budget increase.
  - Fewer students in a school or downsizing in a library results in a budget decrease.
    - If the C2 budget decreases below funding already spent for the five-year period, the school or library does not have to reimburse USAC for the discount on the difference between the budget and the pre-discount amount.
- The C2 budget multiplier is adjusted each year for inflation.

# WHAT'S MY FIVE-YEAR C2 BUDGET?

- Pre-discount budget calculations are based on the number of students (for schools) or the square footage (for libraries).
  - Schools:
    - Total students (including peak part-time) x \$153.47
  - Libraries:
    - Total internal square footage x \$2.35
    - For urban libraries with Institute of Museum and Library Services (IMLS) locale code of 11, 12, 21, the calculation is total internal square footage x \$5.12
- *All figures are for FY2017*

# WHAT'S MY FIVE-YEAR C2 BUDGET?

- Minimum budget of \$9,412.80
  - If the budget calculation results in a value less than \$9,412.80, the school or library's pre-discount budget is set at the minimum budget
- Remaining C2 Budget = (Pre-discount budget) – (Pre-discount amounts committed in prior funding years)
- *All figures are for FY2017*

## C2 BUDGET EXAMPLES

### Example #1 – School (using FY2017 numbers)

Formula:

# students x **\$153.47** = FY2017 five-year  
pre-discount C2 budget

Total number of students: 1,000

FY2017 multiplier: \$153.47

Calculation:

FY2017 C2 pre-discount budget : 1,000  
students x \$153.47 = \$153,470

The school then subtracts any pre-discount C2  
funding requests from FY2016 and FY2015.

If the school requested support for \$90,000 in  
C2 services in FY2016 and \$10,000 in FY2015  
(\$100,000 pre-discount), the FY2017 remaining  
balance would be **\$53,470.**

## C2 BUDGET EXAMPLES

### Example #2 - Library (using FY2017 numbers)

Formula:

Internal ft<sup>2</sup> x **\$2.35** = FY2017 five-year C2 pre-discount budget

Total internal square footage: 5,000

FY2017 Multiplier: \$2.35

Calculation:

FY2017 calculation: 5,000 square feet x \$2.35 = \$11,750 pre-discount

The library then subtracts any pre-discount C2 funding requests from FY2016 and FY2015.

If the library requested \$0 in FY2016 and \$5,000 in FY2015 (\$5,000 pre-discount), the FY2017 remaining balance would be **\$6,750**.



## C2 BUDGET EXAMPLES

### Example #3 –Small School (using FY2017 numbers)

Formula:

# students x **\$153.47** = FY2017 five-year  
C2 pre-discount budget

Total number of students: 45

FY2017 multiplier:\$153.47

Budget floor in FY2017: \$9412.80

Calculation:

C2 budget: 45 students x \$153.47 = \$6,906.15

\$6,906.15 < \$9,412.80, so the school's budget is  
automatically raised to the budget minimum of  
\$9,412.80

Actual C2 pre-discount budget amount: \$6906.15 →  
**\$9412.80**

The school then subtracts any pre-discount C2 funding  
requests from FY2016 and FY2015. If the library  
requested \$0 in FY2016 and \$9,200 in FY2015 (pre-  
discount), the remaining balance would **be \$212.80** in  
FY2017.

## OTHER CATEGORY 2 BUDGET INFORMATION

- NIFs are school buildings with no classrooms or library buildings not open to the public (e.g., administrative buildings). NIFs do not have C2 budgets.
  - If the NIF is essential for the transport of the services to a school or library, the entities benefiting from the services must allocate the costs from their budgets.
  - If the NIF receives services for itself, those costs must be allocated out of the funding request.
- Read the [C2 Budget Tool User Guide](#) and check the [Category Two Budget Tool](#) and using your entity number on the USAC Tools website.
  - Applicants can return unused committed funds from prior funding years using the FCC Form 500.

# E-RATE PRODUCTIVITY CENTER (EPC)

- EPC is the E-rate account management and application portal for applicants, service providers and consultants.
- In EPC you can:
  - File most program forms
  - Maintain a list of your related entities (e.g. individual schools for districts, library branches for library systems, and consortium members for consortia)
  - Update your entity information (e.g. contact information and entity information such as student counts and square footage)
  - Add additional users on your organization's account and assign them rights (permissions) to file forms.

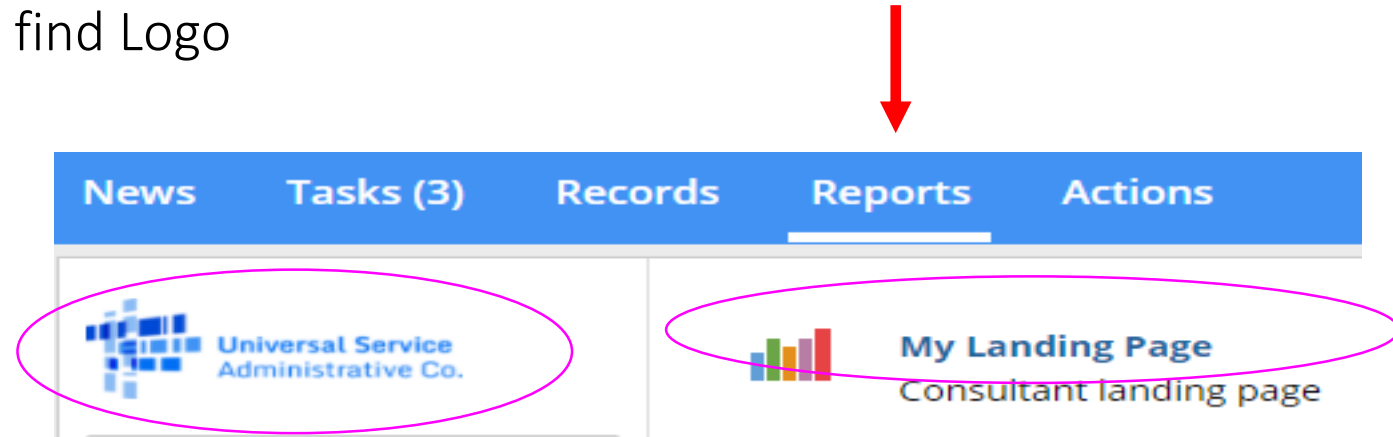
# EPC UPDATE

# EPC UPDATE

- EPC system will be around for several more years
  - System “bug” fixes are deployed almost every week
    - Currently, some Form 486 approvals are caught in snags
  - New Terms and Conditions
    - Upon log-in, system will require you to agree to new T/Cs
    - New language requires you to agree that all correspondence may be sent electronically
  - BEARs will NOT be in EPC for FY 2017

# EPC's NEW LOOK

- More difficult to find USAC Logo which is needed to return to Landing Page
  - Click on any Task in Top Blue Row to find Logo
  - Also under Reports

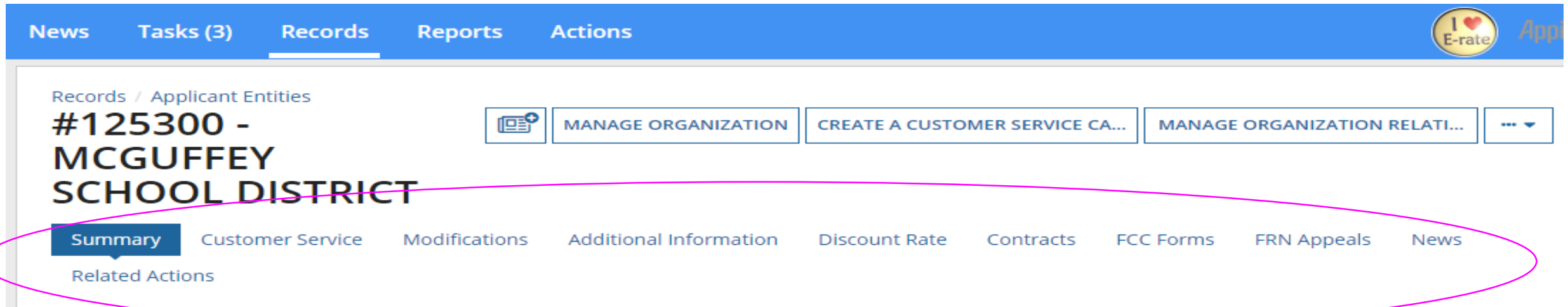
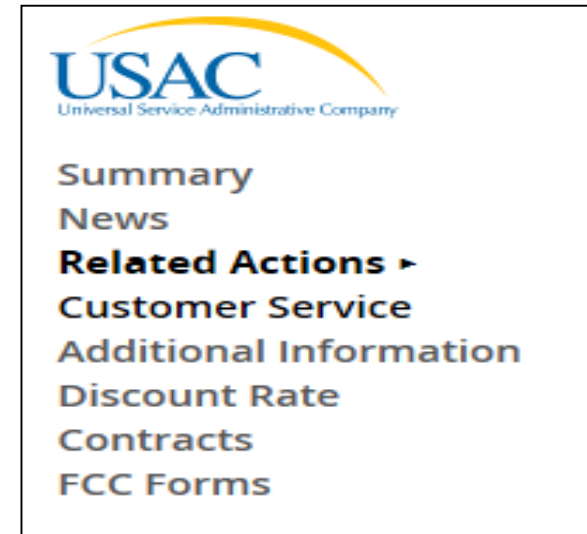
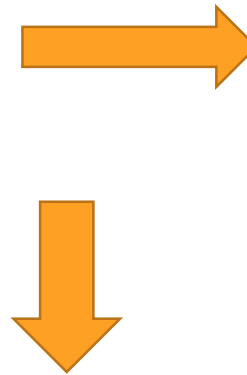


- Logging out of EPC also got trickier
  - Click on circle on top right of page
  - Then click “sign out”



# EPC's NEW LOOK

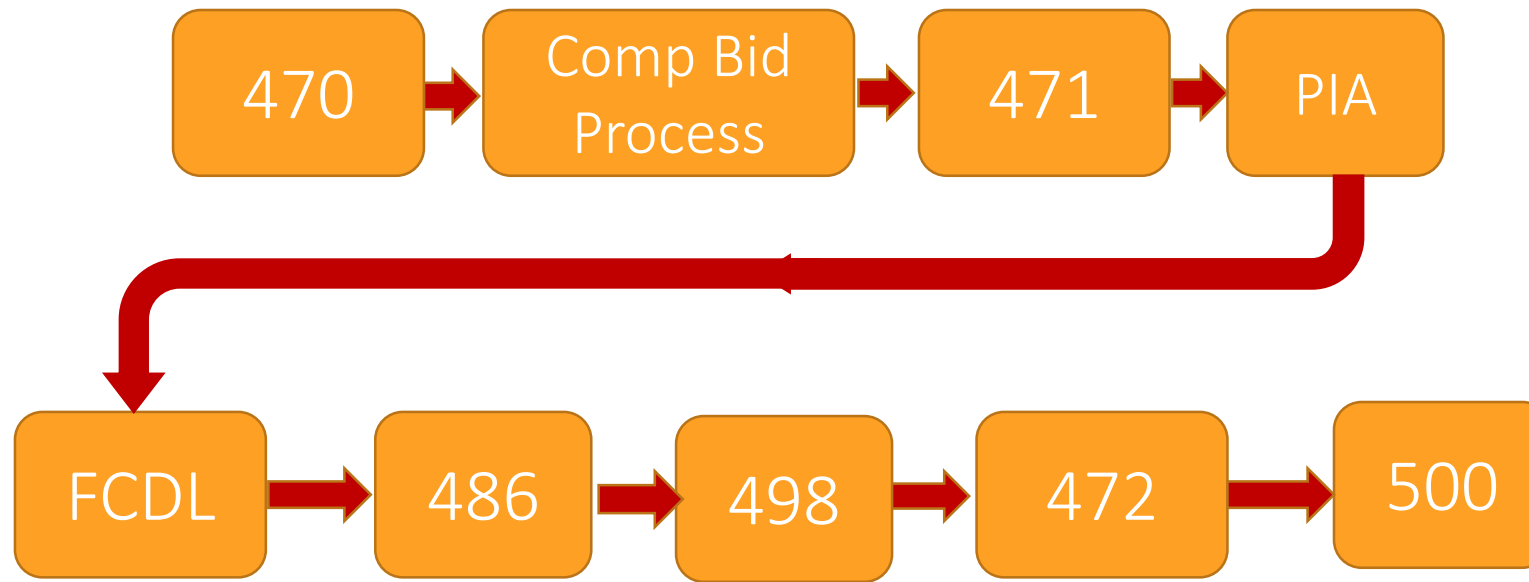
- Previous Tool Bar looked like this:
  - Left side of most pages
- New Tool Bar is horizontal:
  - Functions remain the same





# FCC FORMS

# E-RATE PROCESS FLOW



# FCC FORM 470

- Purpose
  - To begin the competitive bidding process
  - Allows the applicant to describe the service needs and request bids from service providers
  - Only for eligible services with E-Rate program
- When not required
  - A Form 470 was filed in a previous year of a multi-year contract
- When to submit
  - The form is generally available starting in July of each funding year
  - Must be posted for a minimum of 28 days before 471 is filed

# FCC FORM 470 EXEMPTIONS

- Not everyone is required to file an FCC Form 470
  - Multi-year contracts
    - You do not need to file a new FCC Form 470 if the contract is still in effect and the costs/services are still within the terms of the establishing FCC Form 470.
    - NOTE: You do still need to file a new FCC Form 471 requesting E-rate support each funding year.

# FCC FORM 470 EXEMPTIONS

- Not everyone is required to file an FCC Form 470
  - Low-cost, high-speed Internet
    - You do not need to file an FCC Form 470 for Internet access if your service meets ALL of the following conditions
      - It is commercially available, business class Internet access.
      - It offers minimum speeds of 100 Mbps download / 10 Mbps upload
      - The pre-discount price, including any one-time charges, is \$3,600 or less annually per entity (school or library).

# WHAT IS COMPETITIVE BIDDING?

- Competitive bidding is a formal process to choose the vendors/service providers who provide your products and services
  - Describe your desired services and requirements using FCC Form 470 (and RFP if applicable).
  - Service providers read your documents and bid on your services.
  - Wait 28 days then compare the offers you receive.
  - Select the most cost-effective bid using price of the eligible products and services as the primary factor



# COMPETITIVE BIDDING REQUIREMENTS

- In your FCC Form 470 and RFP, you must describe the desired products and services you need with sufficient specificity for service providers to be able to submit responsive bids.
- All potential bidders must have access to your FCC Form 470, RFP, and RFP documents.
- Be prepared to accept bids and answer questions.
- You must select the most cost-effective bid.

# COMPETITIVE BIDDING PROCESS

- The competitive bidding process must be open and fair.
  - "Open" means that information shared with one bidder must be shared with all.
  - "Fair" means that bidders must be evaluated fairly and equally.
- 28-Day Waiting Period
  - FCC Form 470 and any RFPs (if applicable) must be posted on the USAC website for a minimum of 28 days.
  - The end of the 28-day period is when you are allowed to review bids and select vendors — your allowable contract date (ACD)



# EVALUATING BIDS

- To evaluate incoming bids, create a Bid evaluation matrix.
- Develop evaluation criteria or factors to assess the bids.
- Assign each evaluation criterion or factor a point value or percentage.
  - The Price of the eligible products and services must be the most heavily weighted factor — the “primary factor” — in your evaluation.
- The vendor who receives the most overall points or the highest percentage is the winner.

# BID EVALUATING MATRIX

- Evaluate your bids using a matrix, filled in with your chosen factors and point values.

Factor	Points Available	Vendor 1	Vendor 2	Vendor 3
Price of the ELIGIBLE products and services	50	20	50	40
Prior experience w/vendor	20	20	0	20
Prices for ineligible services, products and fees	15	10	5	15
Flexible Invoicing: FCC Forms 472 or 474	10	0	10	10
Local or in-state vendor	5	5	0	5
<b>TOTAL</b>	<b>100</b>	<b>55</b>	<b>65</b>	<b>90</b>

# ZERO BIDS OR ONE BID

- If you receive only one bid, and it is cost-effective, you may accept it.
  - Document your decision with a memo or email for your records.
- If you did not receive any bids, you can solicit bids.
  - Reach out to vendors in the area.
  - Ask your current service provider to submit a bid or to send you an email that they are willing to continue to provide service at your current level and cost.

# FCC FORM 471

- Purpose
  - Applicants must submit this form to request discounts on eligible products and services
  - Uses the students counts in profile to calculate reimbursement discounts
- When to Submit
  - After Form 470 has been posted for 28 days before 471 can be submitted
  - During the form “window” is usually mid January to mid April...~70 days

# ABOUT FCC FORM 471 (REQUEST FUNDING )

- Your application for funding identifies:
  - Services
  - Service Provider and (SPIN)
  - The eligible schools/libraries that will receive the services
  - The cost of your chosen services
  - Your discount level to calculate your funding request
  - Your current connectivity speed
- USAC recommends communicating with your service provider:
  - If you need help completing technical details
  - To notify them of your desired invoicing method

# FCC FORM 471 RESPONSE LETTER

- After posting the FCC Form 471, USAC will issue a letter called the Receipt Acknowledgment Letter (RAL).
  - RAL summarizes the information provided in the FCC Form 471.
  - RAL will post to your EPC account "News" feed.
- Carefully review the letter.
  - If you notice mistakes on your form you can make corrections.
  - Navigate to the form in EPC, choose "Related Actions," then "Submit Modification Request (RAL)" to submit allowable corrections.

# STRUCTURE OF AN FCC FORM 471 FUNDING REQUEST

## FCC Form 471

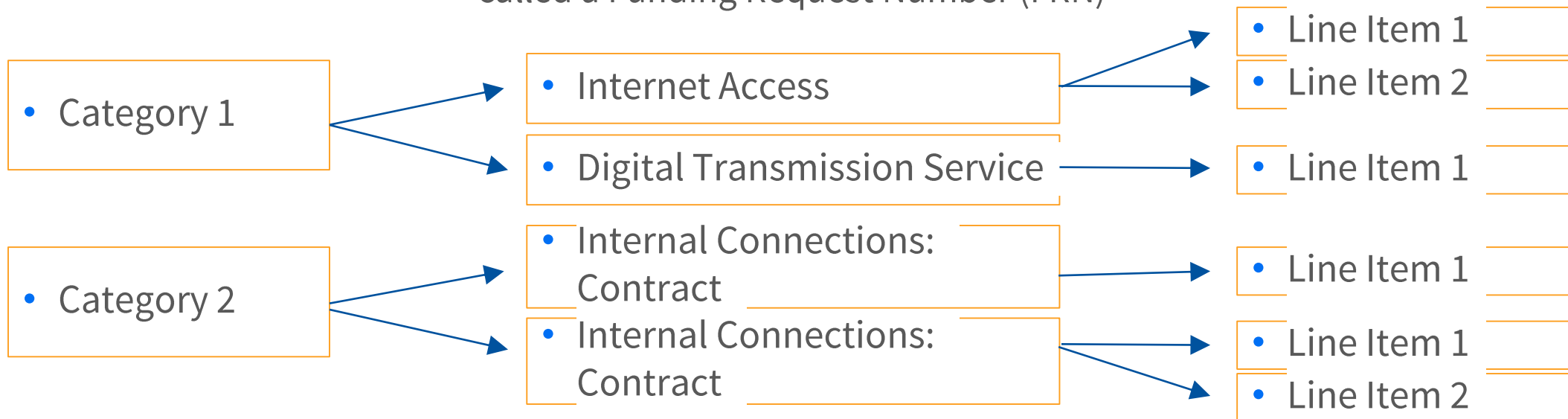
- File one per category of service

## Funding Request

- Add one per service type, service provider, FCC Form 470, contract/service agreement
- Provides summary information
- Each request is identified by an ID number called a Funding Request Number (FRN)

## FRN Line Item

- Add one or more per FRN
- Provides details about the individual services or products listed on the funding request



# APPLICATION REVIEW: PROGRAM INTEGRITY ASSURANCE (PIA)

- After submitting FCC Form 471, your application goes into review.
- PIA is the group at USAC that reviews your application and makes decisions on funding.
- Your PIA reviewer may contact you to:
  - Verify eligibility of one or more of your schools or libraries
  - Verify eligibility of the requested services.
  - Ask for additional documentation to verify your compliance with program rules.
- Some applications undergo additional review.
  - In “selective review,” the PIA reviewer may request more detailed responses to specific questions.



# APPLICATION REVIEW: PROGRAM INTEGRITY ASSURANCE (PIA)

- You have 15 days to respond to PIA questions.
  - You can ask for an automatic seven-day extension if you need it.
- If you need help understanding the PIA inquiry, ask your reviewer for help.
- To answer inquiries, ask for extensions, or find your reviewer's contact info:
  - Navigate to the FCC Form 471 in EPC.
  - Choose "Related Actions."
  - Choose "Respond to Inquiries."

# FUNDING DECISION

- When PIA's review is complete, you and your service provider receive a notification with decisions about your funding.
- The notification is called the Funding Commitment Decision Letter (FCDL).
- Your FCDL will show:
  - Approved funding amounts
  - Modified or denied funding amounts
  - Next steps
- FCDLs are delivered via EPC and you will also receive an email.
  - Go to the Notifications section of EPC and generate the letter.

# FCC FORM 486

- Purpose
  - Notify USAC that services have started by the appropriate service provider
  - Filed by each FRN not by 471 number
  - Indicates the applicant's compliance with Children's Internet Privacy Act (CIPA)
- When to Submit
  - After applicant receives the positive FCDL for the corresponding FRN
  - Form must be submitted no later than **120 days** after the FCDL or the actual service start date...whichever is later
- After submission
  - Both you and SP will receive (2) notifications (Received/Approved & Certified)

# FCC FORM 498

- Purpose
  - Is used to collect banking and contact information for both service providers and applicants
  - Required to receive funding reimbursements
  - A 498 ID will be provided once the completion of the form to be used when submitting BEAR payments
- When to Submit
  - Prior to receive any BEAR reimbursements

# FCC FORM 472

- Purpose
  - The FCC Form 472 (BEAR) is submitted by the applicant to request reimbursements of the discounted amount from USAC
  - Applicant pays for services in full
- When to Submit
  - After Form 498 is submitted and ID number received
  - After invoices are received by applicant
  - Can be submitted in any combination (monthly, quarterly, yearly)
  - Deadline is 120 after services have ended...usually October 28<sup>th</sup>
  - Your SP must have completed Form 473, the Service Provider Annual Certification (SPAC) Form, for that funding year.

# DIFFERENCE BETWEEN BEAR (472) & SPI (474)

- BEAR
  - Must have a FCC Form 498 filed and ID number
  - Submitted by the applicant to request reimbursements of the discounted amount from USAC
  - Applicant pays for services in full
  - Applicant receives reimbursements directly from USAC
- SPI
  - Must have a FCC Form 498 filed and ID number
  - Service Provider only invoices the applicant their discount amount
  - Service Provider submits the FCC Form 474 for the reimbursement

# FCC FORM 500

- Purpose
  - Applicants submit this form to:
    - Adjust their Service Start Date or Contract expiration date
    - Cancel or Reduce a FRN
    - Request a service delivery extension
    - Notify USAC of certain equipment transfers
- When to Submit
  - After the FCDL
  - As soon as possible once the applicant becomes aware of new circumstances that require an adjustment

# QUESTIONS?





FY2018

# FY2018 FORM 471 “ADMIN” WINDOW

- Enrollment/NSLP “Admin” Window
  - Like last year, “Admin Window” will open before the Form 471 filing window
  - Schools must update their enrollment and NSLP/CEP data during this window
    - Data will then be “locked down” and Form 471 window can open
  - Admin Window dates have not yet been announced – Mid Nov to end of Dec

**Do Not Enter New Data Now**

- What data to use?
  - Use your most recent NSLP Data
  - Can submit a Form 471 RAL Correction to update discount data after Form 471 is submitted, but it may delay review of your application

# FY2018 FORM 471 APPLICATION WINDOW

- 471 Window deadline guess?

January 9 – March 22 – THIS IS JUST A GUESS

- Exact dates should be announced soon
- USAC wants to have most FCDLs issued by July 2018
- Recommended timeline:
  - NOVEMBER - DECEMBER: Prepare and Submit Form 470 and RFP in EPC
  - JANUARY: Bid evaluation, board agenda submission
  - FEBRUARY: School board approval, sign contracts
  - FEBRUARY - MARCH: File Form 471
- Form 470s being accepted in EPC NOW

# FY2018: WHAT'S NOT CHANGING

- Contract Records can be entered in EPC as soon as NEW contracts are signed
  - Existing contract records continue to exist – don't enter them again
  - Cannot edit or delete an existing contract record
- Copy FRN functionality in 471
  - Can copy an FRN from FY 2017 and modify
  - Best for recurring services under multi-year contract or month-to-month agreement

# FY2018 ELIGIBLE SERVICE (ESL)

- New ESL contains almost no changes
  - Clarifies that connections between different schools that are located in the SAME building are Category 2
- Voice continues to be phased out
  - FY 2018 is final year for voice funding
  - Only available at 10% rate, and only for 90%-discount applicants



# PROCUREMENT STRATEGY

- Purpose is to flexibility to make mid-year adjustments and be eligible to receive reimbursement from E-Rate and State
- How to Start:
  - Request tier pricing details on both 470 and RFP
    - Example ( 50mb, 100mb, 200mb, 300mb, 500mb, 1Gbps)
  - Make sure same tier pricing is on contract of chosen SP
- Option 1:
  - List max tier on 471 (make sure not excessive to create a potential denial)
  - File From 500 each year “returning” the difference of your budget and invoice
- Option 2:
  - List the next level broadband tier on 471 that you want to start
  - File From 500 each year “returning” the difference of your budget and invoice

# NEW 470 REQUIREMENTS FOR BUNDLED INTERNET

- If seeking Internet with Fiber Transport:
  - New requirement to list 2 service requests on 470 --
  - Leased Lit Fiber **AND** Internet/Transport Bundled
- We have expressed strong concerns with USAC and the FCC on this new requirement
  - Nonsensical
  - Will lead to thousands of denials
  - Hoping they will adjust in near future; not hopeful

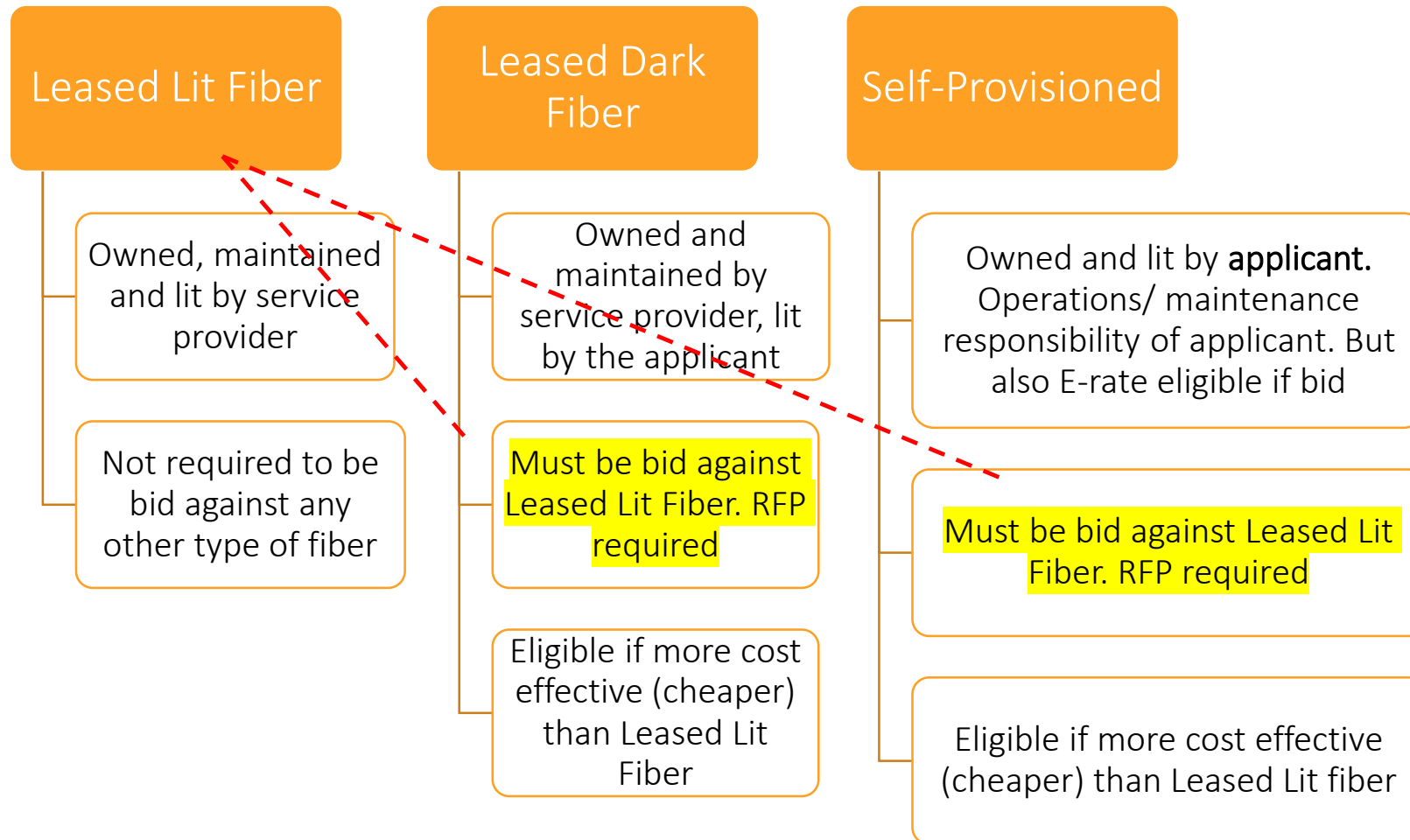
If you want...	Select this 470 Drop Down Option	RFP Required in EPC?
Leased Lit Fiber	Leased Lit Fiber	No
Leased Dark Fiber	Leased Dark Fiber and Leased Lit Fiber	YES
Self-Provisioned Fiber (Applicant owned)	Self-Provisioned Network and Services Provided Over Third-Party Networks	YES
Non-Fiber Connectivity (for example, coaxial cable, microwave, copper)	Transport Only – No ISP Service	No
Category 1 Network Equipment	Other – Write in “Network equipment” in the Function Description. Upload RFP to describe equipment being procured to make broadband network functional.	YES
Maintenance and Operations of Leased Dark or Self Provisioned Fiber	Either: Check Maintenance/Technical Support box on Leased Dark Fiber or Self-Provisioned Fiber prompts; OR Select “Other” as a service request, write in Fiber Maintenance and Operations in the Functional Description	YES
Internet Access including FIBER transport	Internet Access and Transport Bundled – AND –Lit Fiber Service	No
Internet Access including transport that is NOT fiber (for example, cable modem, DSL)	Internet Access and Transport Bundled	No
Commodity Internet Access (no transport)	Internet Access: ISP Service Only	No



Service	FCC Form 470 Selections (select all shown)	Notes
Internet access that includes a connection to the library, district, or individual school	<ul style="list-style-type: none"> <li>Internet Access &amp; Transport Bundled</li> <li>Leased Lit Fiber</li> </ul>	<p>Verify that maximum and minimum bandwidths are the same for each service.</p> <p>Use narrative or RFP to explain that Leased Lit Fiber must include Internet Access.</p>
Wide Area Network (WAN) between sites.	<ul style="list-style-type: none"> <li>Transport Only – No ISP Service</li> <li>Leased Lit Fiber</li> </ul>	<p>Verify that maximum and minimum bandwidths are the same for each service.</p>
Internet access where an entity already owns fiber to a service provider's POP. (very rare).	<ul style="list-style-type: none"> <li>Internet Access &amp; Transport Bundled</li> <li>Leased Lit Fiber</li> <li>Internet Access - ISP Service only</li> </ul>	<p>Verify that maximum and minimum bandwidths are the same for each service.</p> <p>All service providers must have access to the demarc on an equal basis. If necessary specify an alternate demarc location.</p> <p>Use narrative or RFP to explain that Leased Lit Fiber must include Internet Access.</p>
Dark fiber or self-provisioned service (very rare).	<ul style="list-style-type: none"> <li>Leased Dark Fiber</li> <li>Self Provisioned Network</li> </ul>	<p>The E-rate rules are complex for these services and they also require bidding considerations.</p>

# 3 DIFFERENT CLASSES OF ELIGIBLE SERVICE FIBER

~ Traditional ~



Special Construction Charges – **Conditionally** Eligible for All Types of Fiber

# SPECIAL CONSTRUCTION CHARGES



- “Build” Charges
  - One time charges incurred for installation of new service
  - Can be for Leased Lit, Leased Dark or Self Provisioned Fiber
- Special Construction includes:
  - Construction of network facilities
  - Design and engineering
  - Project management
- Can be paid by E-rate in first year
- Applicants can ask vendors for up to a 4 year payment plan for the non-discounted share of these costs
  - Request must be included on the Form 470 and contract

# WHAT IF “EXCESS STRANDS” OF FIBER ARE INCLUDED IN TRENCH?

## Leased Lit or Leased Dark Fiber – Applicant’s Exclusive Future Use:

- If the applicant can **prove** that buying a cable containing the larger # of strands placed in the fiber system for the applicant’s future use is more cost effective than buying a fiber cable with the exact # of strands the applicant plans to place into service the first year, no cost allocation of the excess strands is required and no other special construction charges would need to be cost allocated

## Leased Lit or Leased Dark Fiber – Vendor’s Future Use:

- Applicant **must** cost allocate the cost of the service provider-owned extra strands, **AND** all incremental costs of those extra strands from the special construction E-rate funding request
- It is not a pro-rata share, but an **incremental** cost calculation that must be backed by detailed documentation
  - Splicing labor
  - Splicing enclosures
  - Fiber installation labor (for extra strands)
  - Fiber materials (for extra strands), such as larger circuit boards, etc.

# WHAT IF “EXCESS STRANDS” OF FIBER ARE INCLUDED IN TRENCH?

## Self-Provisioned Fiber – Applicant’s Exclusive Future Use:

- E-rate will pay for **all** special construction costs, but **only** the # of fibers being lit in the first year
  - However, **if** the applicant can **prove** that buying a cable containing the larger # of strands placed in the fiber system for the applicant’s future use is more cost effective then buying a fiber cable with the exact # of strands the applicant plans to place into service the first year, no cost allocation of the excess strands is required and no other special construction charges would need to be cost allocated
- If any additional fibers are included for any **“non-public entity,”** the entire funding request will be denied
  - No cost allocation is permitted

# STATE REIMBURSEMENTS

# CATEGORY 2

# IS CATEGORY 2 IN DANGER?

- Despite some “Calls to Action,” Category 2 funding is not in danger
  - \$ amount and/or structure *could* change in FY 2020
  - Although there are rules call for “rolling” 5-year budget, no certainty this will happen
  - Advice? Use C2 funding in FY 2018 or FY 2019, if possible
  - Thank you to those who have submitted comments, replies, and data to help modify the funding model for C2 budgets after 2019.



# PUBLIC SCHOOLS C2 BIDDING: TRADITIONAL

## Post Form 470 and RFP

- RFP required if cost of equipment exceeds \$25K (state law)
- Form 470 and RFP bidding must be done concurrently and bidding window required to be open for at least 28 days before bids are due (E-rate rule)
- Equipment list **MUST** allow for equivalent manufacturer's products to be bid (E-rate rule)
  - "Cisco 48-port PoE Switch or equipment that is equivalent in functionality and quality"
- Assuming all RFP requirements have been met, score bids with price as the highest weighted factor
- Most school board must approve contract prior to signing
  - Contract must be signed before submitting Form 471

# PUBLIC SCHOOLS C2 BIDDING: MASTER CONTRACT

- MSC with an accompanying FCC Form 470 number:
  - A separate Form 470 is not required
  - Must conduct a Mini-Bid Procurement
  - Request proposals from all manufactures in that “Category”
  - May list preferred manufacturer, but must request bids for “equivalent” products
    - Minimum 2 week bidding period is recommended
  - Then conduct bid evaluation among all product lines that offer the ‘category’ of service, including equivalents
  - Sign contract (or vendor quote)
    - Contract must be signed before submitting Form 471

# PUBLIC SCHOOLS C2 BIDDING: MASTER CONTRACT

- MSC without an accompanying FCC Form 470 number:
  - A separate Form 470 is required
  - Mini Bid Procurement is not required
  - Request proposals from all manufactures in that “Category”
  - Can use the products listed on the MSC as a bid evaluation
  - May list preferred manufacturer, but must request bids for “equivalent” products
    - Post for 28 days minimum
  - Conduct bid evaluation among all product lines that offer the ‘category’ of service, including equivalents
  - Sign contract (or vendor quote)
    - Contract must be signed before submitting Form 471

# RETURNING UNUSED C2 COMMITMENTS

- C2 budgets are based on school enrollments
- Funding is “drawn down” from a school’s budget whenever funds are committed
  - not when funds are disbursed
- Therefore, to “return” unused C2 commitments to be available in future years, you must file a Form 500
  - Submit in EPC
  - Approval takes a few months

FY2017 & FY2016

# FY2016 BEAR DEADLINE

- Monday, October 30, 2017 was the ABSOLUTE deadline to submit a BEAR for FY 2016 recurring services
- Monday, October 30, 2017 is also the ABSOLUTE deadline to request an extension (IDER)
  - Single, 120-day extension will be granted if requested prior to deadline
- Request an Extension NOW if...
  1. You haven't yet submitted your FY 2016 BEAR
  2. You submitted a FY 2016 BEAR but it is "in review"
  3. You don't have a BEAR PIN
  4. You have not filed a BEAR since July 2015 and do not yet have your Form 498 (Direct Deposit Form) approved by USAC
    - *This form is only required to be submitted once, not annually*

*\* January 28, 2018 is deadline to submit BEAR for FY 2016 non-recurring services (internal connections)*

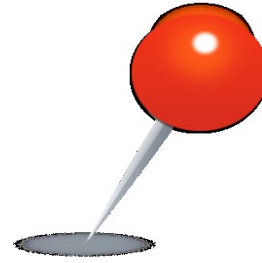
## 2 WAYS TO REQUEST EXTENSIONS

- If you have a BEAR PIN:
  - Submit IDER request in BEAR Module
  - <http://www2.sl.universalservice.org/bear/login.aspx>
  - Instant approvals!



- If you don't have a BEAR PIN:
  - Use 'Submit a Question' feature to request extension  
[http://www.slforms.universalservice.org/EmailResponse/Email\\_Intro.aspx](http://www.slforms.universalservice.org/EmailResponse/Email_Intro.aspx)
    - Not done in EPC
  - Approvals sent within 30 days

# HOW TO REQUEST BEAR PIN



- All BEARs must be submitted online
  - Paper BEARs can no longer be submitted
  - Must be filed in “old” BEAR system: <http://www.sl.universalservice.org/menu.asp>
- PIN needed to log-in to Online BEAR
  - PIN is not your EPC Password
- If you had a PIN but can't find it, call CSB at 888-203-8100 and they will regenerate it
- If you don't have a PIN, you must complete a simple template and submit to USAC
  - Template available at: <http://www.usac.org/res/documents/sl/xls/PIN-request-template.xlsx>
  - Submit in EPC or using 'Submit a Question' feature
  - BEAR PIN will be e-mailed within a few days
- If you don't yet have a BEAR PIN, request an IDER!!!



## FY2017 Form 486s

- If you have been funded for FY2017, don't forget to file your Form 486 to "turn-on funding"
- How to file the 486 at: <http://toddlawrenceidaho.blogspot.com>
- You must wait until you receive an FCDL to file the 486
  - Deadline is 120 days after FCDL date
- VERY easy form to file in EPC (click, click, click)
- If you know you have certified your 486, it likely means it's being held for further review by USAC
  - Be careful when clicking on CIPA certifications

# FY2017: LESSONS LEARNED

- Upload ALL RFP documents
  - Amendments, FAQs, any supplemental documentation that an applicant shares with vendors
  - Restart 28-day clock if RFP is materially changed
- Don't miss BEAR deadline
- Upload C2 contracts
- Send or sign written confirmation to vendor of intent to exercise contract extension
- Expect to provide copies of vendor invoices to USAC invoicing for C2 BEARs
- Label and track equipment for audits
- Don't apply for more funding than what's remaining in your C2 budget
- Don't wait until March to take contracts to board for approval

# FINAL REMINDERS!

- File FY2016 BEARs by October 30
  - Request a BEAR PIN if you don't have one
  - Submit Form 498, direct deposit form, if one hasn't been previously approved
  - File IDER now to obtain invoice deadline extension
- File FY2017 Form 486s after FCDL
  - Must be filed within 120 days
- File FY2018 Form 470s NOW
  - Review C1 contracts for expiration dates
  - Determine what schools need C2 equipment
- Don't update enrollment/NSLP in EPC YET!

# QUESTIONS?



# CONTACT INFORMATION

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*[Survey Coming to an Email Near You!!!](#)*